


So Ordered.

Dated: April 3rd, 2020




Whitman L. Holt
Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

IN RE:

ASTRIA HEALTH, et al.

Debtors.¹

Lead Case No. 19-01189-11

Jointly Administered

**ORDER GRANTING EMERGENCY
MOTION FOR APPROVAL OF LEASE
OF ASTRIA REGIONAL MEDICAL
CENTER TO THE STATE OF
WASHINGTON IN RESPONSE TO
THE COVID-19 PANDEMIC, *NUNC
PRO TUNC* TO MARCH 30, 2020**

[RELATED DOCKET NO. 1151]

¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHC Holdco, LLC (19-01196-11), SHC Medical Center-Toppenish (19-01190-11), SHC Medical Center-Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-19-01200-11).

Order Approving Lease of
ARMC

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DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
Los Angeles, California 90017-5704 Seattle, Washington 98101-2373
T 213-623-9300 / F 213-623-9924 T 206 292 2110 / F 206 292 2104

1 The Court, having read and considered the Debtors' *Emergency Motion For*
2 *Approval of Lease of Astria Regional Medical Center to the State of Washington In*
3 *Response to the COVID-19 Pandemic, Nunc Pro Tunc to March 30, 2020* [Docket
4 No. 1151] (the "Motion"),² filed by Astria Health, a Washington nonprofit public
5 benefit corporation, and the above-referenced affiliated debtors and debtors in
6 possession (collectively, the "Debtors"), and the papers in support thereof, and no
7 objection or response having been filed or any such objection or response having
8 been overruled or resolved as announced at the hearing on the Motion; it further
9 appearing that appropriate notice of the Motion had been provided; and for the
10 reasons set forth by the Court on the record during the March 31, 2020, hearing on
11 the Motion, the Court hereby finds that an exercise of this Court's jurisdiction over
12 the Debtors' property pursuant to ~~§§ 105(a), and § 363(b) and § 363(f)~~ of the
13 Bankruptcy Code is proper; and entry into the Interim Lease and subsequent Lease
14 Agreement is a reasonable exercise of the Debtors' business judgment in
15 response to the humanitarian and commercial exigencies affecting the
16 Debtors' estates, the communities in which they operate or exist, and the public
17 interests of Washington State.

18
19
20 ² Capitalized terms used but not otherwise defined in this Order shall have the
21 meaning for such term set forth in the Motion or the Interim Lease, as applicable.

1 Based upon the foregoing findings, the Court concludes that good and
2 sufficient cause has been shown. Now, therefore,

3 **IT IS HEREBY ORDERED:**

4 1. The Motion is granted in all respects and all provisions thereof;

5 2. The Debtors are authorized and directed to enter into the Interim Lease
6 and to perform all obligations provided hereunder and in the Interim Lease;

7 3. The Debtors are authorized to enter into a formal Lease Agreement and
8 to perform all obligations thereunder without separate order of this Court, provided
9 that the Official Committee of Unsecured Creditors, Lapis Advisers, L.P. and UMB
10 Bank, N.A. (collectively, the “Reviewing Parties” and each a “Reviewing Party”) do
11 not object to the Debtors’ entry into the Lease Agreement, provided further that if a
12 Reviewing Party does so object, the Debtors are hereby authorized to file a copy of
13 the proposed formal Lease Agreement with the Court along with a brief explanation
14 of the issue(s) in dispute and the Court will schedule a prompt hearing to occur
15 telephonically to address such dispute;

16 4. This Order, and the terms and conditions of the Interim Lease and any
17 subsequent Lease Agreement, are binding on the Debtors and their estates and shall
18 be binding upon any trustee appointed under Chapter 11 or under Chapter 7 of the
19 Bankruptcy Code, their estates and the above-captioned cases;

20 5. This Order is without prejudice to the rights of counterparties to
21 equipment leases, financings, service agreements, and all other contracts with the

1 Debtors with respect to, or in connection with, ARMC. All rights of such contract
2 counterparties are expressly preserved notwithstanding the Interim Lease or any
3 subsequent Lease Agreement;

4 6. The Interim Lease, any subsequent Lease Agreement and this Order
5 shall each survive any dismissal of the above- captioned cases, except as to the extent
6 that the Interim Lease or Lease Agreement already has been terminated in accordance
7 with its terms prior to any such dismissal;

8 7. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be
9 immediately effective;

10 8. The Debtors, KCC, as claims and noticing agent, and the Clerk of this
11 Court are authorized to take all steps necessary or appropriate to carry out this Order;
12 and

13 9. This Court shall retain jurisdiction to hear and determine all matters
14 arising from or related to the implementation, interpretation, or enforcement of this
15 Order.

16 PRESENTED BY:

17 DENTONS US LLP

18 /s/ Samuel R. Maizel
19 SAMUEL R. MAIZEL (*Pro Hac Vice*)
20 SAM J. ALBERTS (WSBA #22255)

21 *Attorneys for the Chapter 11
Debtors and Debtors In Possession*

* Changes made by court

Order Approving Lease of ARMC

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